

Part 1 – Agency Profile

Agency Overview

The Department of Insurance is a regulatory agency created to regulate the business of insurance in Idaho. State regulation of Idaho's insurance business began in 1901 and in 1961 the present Department of Insurance was created. When the Executive branch of state government was reorganized in 1974, the Department of Insurance became one of the twenty major departments of the Executive branch. The director of the department is appointed by the governor and is subject to confirmation by the state senate.

The mission of the Department of Insurance is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. The Department is organized into two divisions: the State Fire Marshal's Office and the Insurance Division. The State Fire Marshal's office participates in and coordinates an integrated statewide system designed to protect human life from fire and explosions through fire prevention, investigation and public education activities. The program involves fire prevention activities, fire/arson investigations, code enforcement and the operation of the Idaho Fire Incident Reporting System. The Department's Insurance Division consists of two regulatory bureaus: The Company Activities Bureau and the Consumer Services Bureau. The Company Activities Bureau monitors the financial condition of all insurance entities conducting business in the state of Idaho to assure that each complies with Idaho law and that the financial obligations of the company to its policyholders will be met. The bureau also reviews insurance policy rates and forms, collects premium taxes and audits insurance premium tax returns, oversees title insurance and bail bond agents, and performs market analyses on insurers. The Consumer Services Bureau licenses producers (insurance agents and brokers), third party administrators, adjusters and managing general agents, and administers the applicable continuing education program for the resident producers. The bureau also responds to consumer and industry complaints and provides assistance to consumers, the insurance industry and law enforcement agencies on matters involving insurance contracts and potential violations of the Insurance Code. Information, counseling and assistance are provided to Idaho's senior citizens by a Senior Health Insurance Benefits Advisors (SHIBA) program through a network of senior citizen volunteers and a toll free 800 number.

The main office of the Idaho Department is located on the third floor of the JRW building in Boise. The department also has offices in Twin Falls, Pocatello, Idaho Falls and Couer d'Alene. The department has been appropriated 71.5 FTE (full time equivalent) personnel for FY2006. The State Fire Marshal has 6 FTE's in Boise, 2 FTE's in Idaho Falls, 1 in Lewiston and 1 in CdA. The Consumer Services Bureau has 2 SHIBA FTE's in Twin Falls, 1 SHIBA FTE and 1 consumer affairs officer in Pocatello, 1 SHIBA FTE and 1 consumer affairs officer and 1 fraud investigator in CdA.

While the department collects in excess of \$80 million in Premium Taxes from the insurance companies, none of those funds are used to support Agency operations. The Agency is funded entirely by fees collected for licensing insurance producers and companies doing business in Idaho.

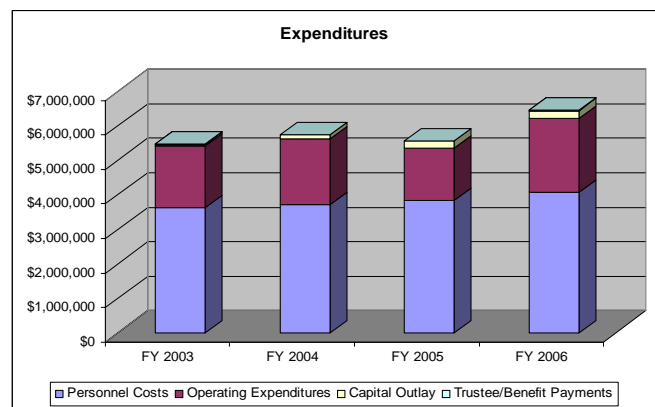
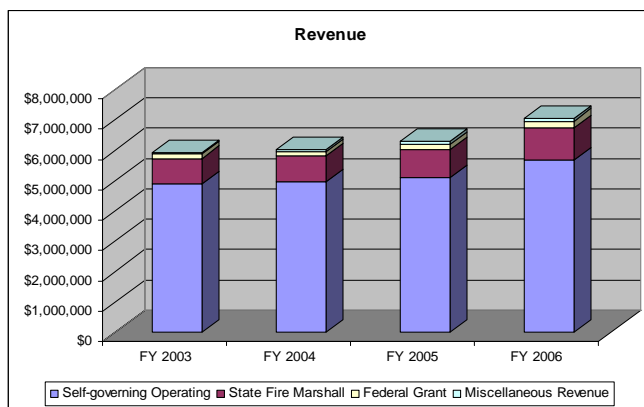
Core Functions/Idaho Code

Insurance Division – Regulates the insurance industry in Idaho. Assists public with insurance complaints and inquiries, investigates insurance fraud, reviews insurer rate and form filings, reviews qualifications of insurance agents/brokers and insurers seeking licensing to do business in Idaho, reviews financial solvency of insurers doing business in Idaho, and administers and collects insurance premium tax. Title 41, Idaho Code.

State Fire Marshal's Office – Assists local governmental entities and fire districts in fire investigation and prevention activities, and responsible for fire and life safety issues in state owned buildings. Title 41, Chapter 2, Idaho Code.

Revenue and Expenditures

Revenue	FY 2003	FY 2004	FY 2005	FY 2006
Self-governing Operating	\$4,894,600	\$4,968,800	\$5,091,400	\$5,665,000
State Fire Marshall	\$833,300	\$842,000	\$939,000	\$1,077,700
Federal Grant	\$154,800	\$154,800	\$168,600	\$217,000
Miscellaneous Revenue	\$47,200	\$63,300	\$85,400	\$88,900
Total	\$5,929,900	\$6,028,900	\$6,284,400	\$7,048,600
Expenditure	FY 2003	FY 2004	FY 2005	FY 2006
Personnel Costs	\$3,618,000	\$3,699,400	\$3,826,700	\$4,054,300
Operating Expenditures	\$1,779,700	\$1,912,400	\$1,523,900	\$2,147,400
Capital Outlay	\$51,100	\$106,900	\$207,700	\$225,800
Trustee/Benefit Payments	\$2,500	\$2,500	\$2,500	\$10,600
Total	\$5,451,300	\$5,721,200	\$5,560,800	\$6,438,100



Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2003	FY 2004	FY 2005	FY 2006
Company Activities Bureau				
Examinations Performed	14	5	5	4
Companies Admitted/Listed	75	72	78	80
Companies Withdrawn/Suspended/Rvkd	47	53	26	29
Total Companies Regulated	1,819	1,765	1,834	1,962
Title Exams Performed	23	20	5	20
Premium Taxes Collected	\$71,487,392	\$78,391,660	\$81,117,984	\$80,039,556
Policy Forms Filed	50,335	46,797	44,066	39,300
Consumer Services Bureau				
Producer licensing applications rec'd	9,732	11,108	10,384	16,133
Producer licenses issued	8,526	10,880	10,039	16,178
Continuing Ed courses rec'd	2,086	1,888	2,193	2,507
Consumer Affairs – Complaints rec'd	1,341	1,396	1,284	953
Consumer Affairs – Telephone Inquiries	11,645	11,543	10,507	8,876
Consumer Affairs – Funds recovered	\$1,150,900	\$1,330,000	\$1,512,000	\$2,850,571
SHIBA – Individual counseling hours	2,606	4,410	3,708	8,248
SHIBA – Audience group sessions	91,402	106,003	239,470	198,939
SHIBA – Telephone inquiries	21,453	25,018	24,363	17,565
SHIBA – Medicare funds recovered	\$788,000	\$1,152,800	\$896,100	\$622,661
Investigations – New cases	247	288	253	193
Investigations – Cases referred	64	69	73	31
Investigations – Convictions	35	35	17	14
Investigations - Property recovered	\$7,300,000	\$10,900,000	\$8,500,000	\$729,900

Cases Managed and/or Key Services Provided	FY 2003	FY 2004	FY 2005	FY 2006
State Fire Marshal				
Official Contacts	1,986	1,780	1,464	1600
Fire Investigations	127	91	111	115
Fire Code Inspections	109	114	137	140
Sprinkler Plan Reviews	217	359	192	200
Classes Taught	30	25	19	25

Part II – Performance Measures

Performance Measure	2003	2004	2005	2006	Benchmark
1. Complete the review of company applications within 30 days of date application is deemed complete	New				100%
2. Perform level one market analysis for at least 20 companies annually.	New				20 analyses completed
3. Adopt final examination reports within 18 months of the “as is” date.	71%	60%	80%	100%	100%
4. Issue producer license within 5 business days of date application is received.	New				100%
5. Increase the percentage of licenses, renewals and appointments processed electronically to at least 95%.	New				95% of transactions
6. Respond to requests for fire investigation assistance within 12 hours.	95%	100%	100%	100%	100%

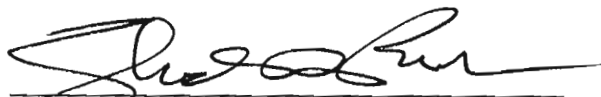
For More Information Contact

Tom Wilkerson
 Department of Insurance
 700 West State Street
 P.O. Box 83720
 Boise, ID 83720-0043
 Phone: (208) 334-4266
 E-mail: Tom.Wilkerson@doi.idaho.gov

Director Attestation for Agency Profile

In accordance with *Idaho Code* 67-1904, I certify the data provided in the Agency Profile has been internally assessed for accuracy, and, to the best of my knowledge, is deemed to be accurate.

Department: INSURANCE



Director's Signature

8-31-06

Date

Please return to:

Division of Financial Management
Attn: Anita Hamann
700 West Jefferson, Rm 122
Boise, Idaho 83720-0032

FAX: 334-2438
E-mail: info@dfm.idaho.gov